

Sector Snapshot – H1 2023

Food & Beverage M&A



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Deal Volumes

- H1 2023 saw 65 transactions completed involving UK targets, a 14% reduction on H2 2022 deal volumes. Reduced deal volumes and low disclosed deal values reflect a degree of caution amongst investors due to on-going cost pressures in the sector and reduced consumer spend. H1 saw a rise in the number of distressed transactions as cost increases across the supply chain impacted companies with a weaker balance sheet and less ability to pass on price increases.

International Transactions

- There were 9 transactions involving overseas acquirors in H1 2023, a decline on the 16 overseas transactions completed in H2 2022, reflecting the investor caution noted above. Despite this, international acquirors continue to show a willingness to spend for strategic targets, as evidenced by the £188m acquisition of restaurant group, The Fulham Shore plc by Japanese based Toridoll Holdings.

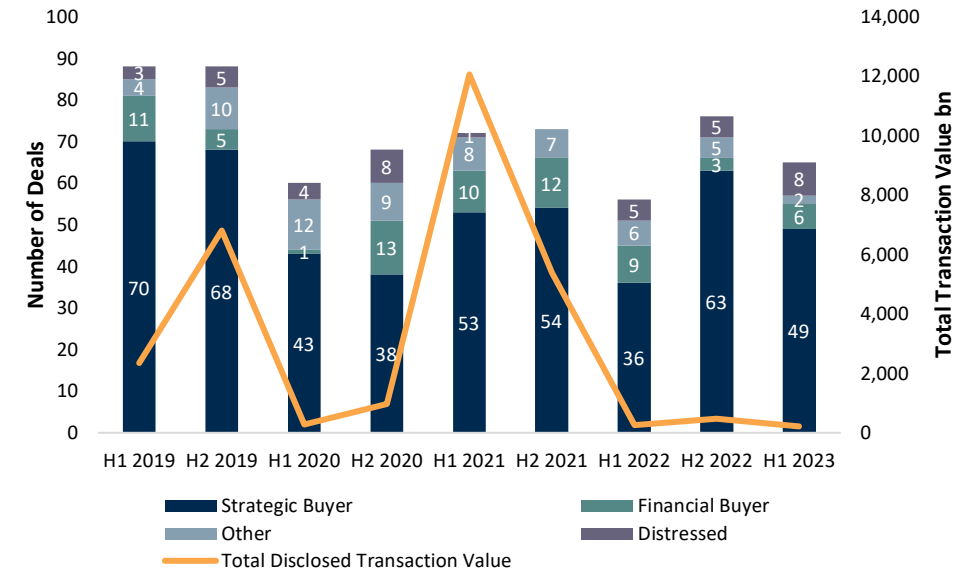
Private Equity

- H1 2023 saw private equity money focused primarily on bolt-on acquisitions for existing platform businesses as they pursued economies of scale through consolidation and expansion of product offerings and/or routes to market. We expect the bar for new private equity investment into the sector to remain high over the next 6-12 months.

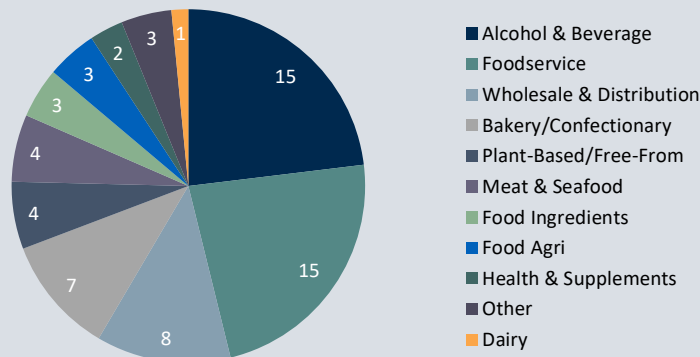
Market Outlook

- We anticipate deal volumes will increase over the next 6 months driven by stabilising interest rates and falling inflation which will aid investor confidence in the sector. Potential capital gains tax increases are also back on the government agenda and may incentivise an acceleration in transactions over the next 6 months. Market consolidation will remain a key driver for both domestic and overseas acquirors due to significant fragmentation across subsectors.

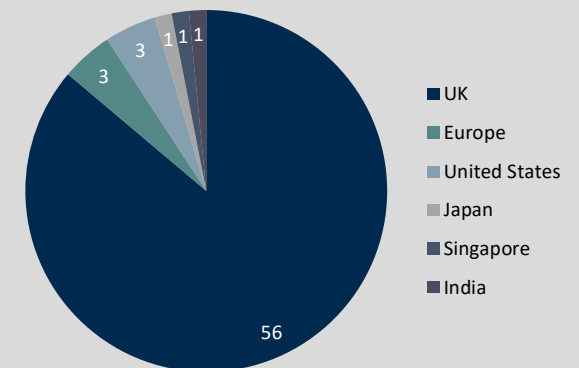
M&A VOLUMES BY TYPE



DEAL VOLUMES BY SUBSECTOR



BUYERS HQ BY GEOGRAPHICAL REGION



Sources: S&P Capital IQ, BMBI

TRADE

“Trade acquirors have demonstrated a degree of caution amidst challenging market conditions with both overseas and domestic acquirors focusing on selective and/or strategic acquisitions”

PRIVATE EQUITY

“Private equity backed buy and build strategies continue to be a prominent market feature, rather than new platform investments”

TRADE & PRIVATE EQUITY BUYERS

Food Distribution	Food Distribution	Food Manufacture
 Have acquired a majority stake in 	 Have acquired a majority stake in 	 Have acquired a majority stake in
Foodservice	Bakery & Confectionary	Meat & Seafood
 Have acquired 	 Have acquired a majority stake in 	 Have acquired a majority stake in
Foodservice	Meat & Seafood	Food Ingredients
 Have acquired a majority stake in 	 Have acquired a majority stake in 	 Have acquired a majority stake in

Notable trade deals in H1 2023 include:

- Bidcorp UK, a market leader in the foodservice and food distribution sector, successfully completed two acquisitions in the first half of 2023. The acquisitions of Thomas Ridley and Harvest Fine Foods will enable Bidcorp to expand its geographical coverage within the UK foodservice distribution market.
- Boncolac, a French frozen desert and catering manufacturer, successfully acquired Proper Cornish, a savoury pastry manufacturer based in the UK. This acquisition strengthens Boncolac’s strategy of expanding their pan-European product base.
- Oakview, a high-end arena and venue developer, has acquired RHC Group, a luxury planning and catering service company. This acquisition will enable Oakview to provide a more streamlined experience for customers, reducing the need for third party vendors in their venues.
- Paramount Retail Group, a family-owned frozen food manufacturer, has acquired Montezuma's, a luxury and ethical chocolate brand. This acquisition will enable Paramount to strengthen its confectionery division and expand its portfolio of confectionery brands.
- Mowi, the world’s largest producer of farm-raised salmon, has acquired Dawnfresh, Scotland’s largest trout producer out of administration. This acquisition will enable Mowi to expand their reach and presence into other segments of the fish market.

Notable PE deals in H1 2023 include:

- Serial investor Trispan successfully finalised their fourth restaurant investment in the UK, by acquiring a majority stake in Mowgli Street Food Group.
- With backing from Endless PE, Yorkshire Premier Meat, a prominent UK meat manufacturer, has successfully acquired Smithfield Murray, a major poultry supplier. This acquisition is set to facilitate growth for all three entities within the food manufacturing sector.
- KTC Edibles, the UK’s leading independent producer and distributor of edible oils, has acquired Cardowan Creameries, a manufacturer of margarine. Supported by Endless, this acquisition positions KTC to grow turnover in excess of £550 million and broadens their product portfolio through expanded offerings.

“Listed multiples have declined in some areas of food manufacturing and food retail over the last 6 months reflecting wider market sentiments but have increased in areas such as foodservice with consumer demand remaining resilient in this sector”

ALCOHOL & BEVERAGE

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
DIAGEO	Alcohol		13.9x	5.0x
naked & famous	Alcohol	✓	6.9x	0.1x
Vesper	Alcohol	✓	5.3x	0.2x
FEVER-TREE	Beverage		49.2x	3.4x
BRITVIC	Beverage		10.5x	1.7x

FOOD RETAIL

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
ocado	Grocery Retail	✓	NM	2.1x
Sainsbury's	Grocery Retail		5.7x	0.4x
TESCO	Grocery Retail		5.9x	0.4x
GREGGS	Other Food Retail		9.1x	1.5x
HOTEL Chocolat	Other Food Retail		7.6x	0.9x

FOOD MANUFACTURE

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
BAKKAVÖR	Manufacturing		5.9x	0.4x
Associated British Foods	Manufacturing		7.9x	1.0x
HILTON	Meat		7.4x	0.3x
CRANSWICK	Meat		9.6x	0.8x
Finsbury	Bakery		5.5x	0.4x

OTHER / MIXED

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
Domino's	Food Delivery	✓	15.1x	2.8x
KITWAVE	Wholesale		7.7x	0.4x
The Restaurant Group plc	Restaurants		6.5x	1.0x
THE FULHAM SHORE PLC	Restaurants		11.3x	1.9x
TATE & LYLE	Food Ingredients		10.3x	1.7x

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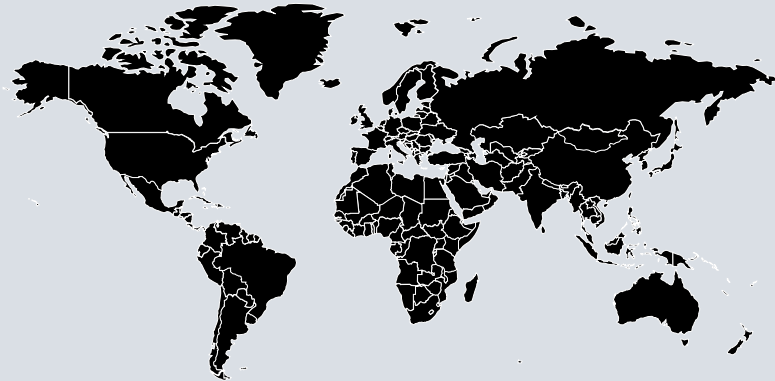
Strategic Advisory

Capital Solutions

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300+ Professionals

35+ Offices globally



80% International mandates

140+ Transactions per year

Top 10 Midmarket rankings

Recent Clairfield Food & Beverage Transactions

<p>Organic Foods </p> <p>COMPAGNIE LÉA NATURE</p> <p>Have acquired a minority stake in</p>	<p>Beverages </p> <p>CLESSIDRA Private Equity SGR</p> <p>Acquired</p> <p>EVERTON Tea House Taste of Nature</p>	<p>Petfood </p> <p>Little Big Paw</p> <p>Sold to</p>	<p>Bakery </p> <p>Bramble FOODS</p> <p>Sold a minority stake to</p>
<p>Bakery </p> <p>The Unsworth Family</p> <p>Have acquired a minority stake in</p>	<p>Food Distribution </p> <p>wellocks the perfect ingredient</p> <p>Was sold to</p> <p>WILLIAM JACKSON FOOD GROUP</p>	<p>Alcohol </p> <p>VIVINO</p> <p>\$155m Series D fundraising</p>	<p>Food Distribution </p> <p>TRANS GOURMET</p> <p>Acquired</p> <p>GM FOOD IBERICA GENERAL MARKETS FOOD IBERICA</p>



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